



Policy Snapshot: *Land banking*

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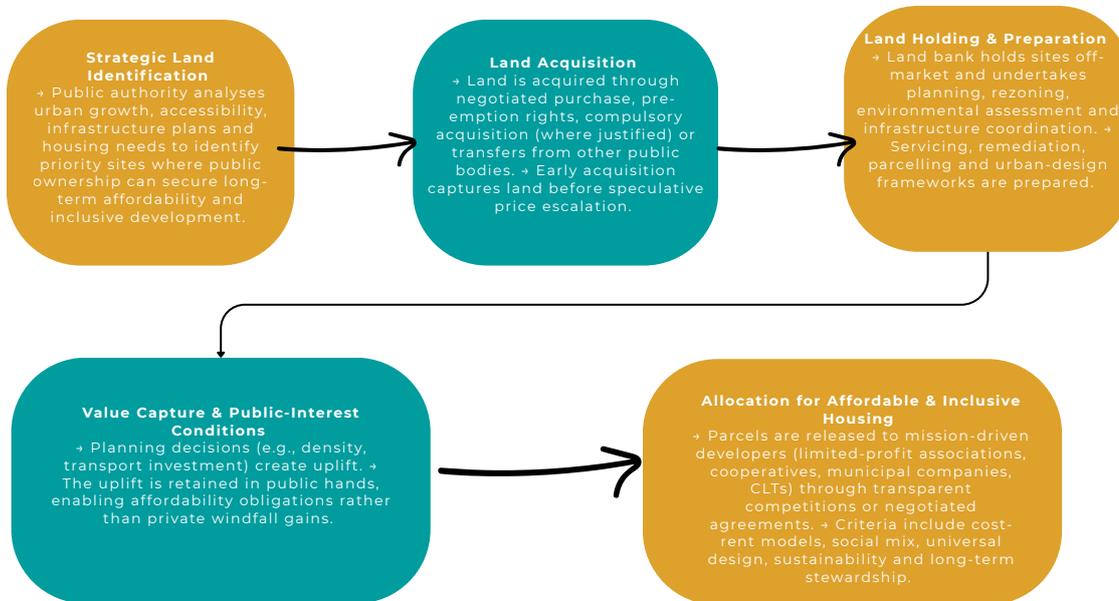
WHAT IS BANKING?

Public land banking involves governments acquiring, holding, servicing and releasing land in advance of need to steer development and secure affordable housing. By moderating land costs, capturing value uplift and directing land to mission-driven providers, it replaces speculative dynamics with public-interest outcomes. .

WHY ARE THEY USED?

Public land banking is used to counter speculation, stabilise land prices, secure well-located land for affordable housing, and capture value uplift generated through planning and infrastructure. It enables governments to steer urban development strategically and ensure long-term affordability through controlled land release.

HOW DO THEY WORK IN PRACTICE?



WHERE ARE THEY USED IN EUROPE?

Public land banking operates successfully in **Vienna**, where Wohnfonds Wien assembles, services, and releases land for cost-rental and subsidised housing, closely aligned with the metropolitan plan. Developer competitions are used to assign building rights based on cost assessment, social mix, sustainability, and design.



Model of See stad-Aspren (Lawson, 2024)





WHERE ARE THEY USED IN EUROPE? (CONTINUED)

In the Netherlands, a so-called ‘active land policy’ is adopted by many municipalities in which a land bank is amassed for future strategic use. Plots are sold to a mix of market and social housing developers, with land value uplift from land development and rezoning accruing to the municipality. The active land policy has declined in use since the 1990s, first as private developers began to compete on the land market, then as municipal budgets were constrained following losses on land post-Global Financial Crisis. Furthermore, since 2008, Dutch planning has allowed for the inclusion of social housing in zonal plans, removing a key motivation for public land development.

A more targeted version is used in the **Île-de-France** region of **France**, where the **Établissement Public Foncier** assembles brownfield sites, often already developed with low-quality housing, and undertakes preparation – including demolition – of these for sale to social housing providers. The model operates through strong legal powers, long-term budgets and integration with metropolitan planning.

WHAT ARE THE RELATIVE STRENGTHS AND WEAKNESSES?

Strengths	Weaknesses
<ul style="list-style-type: none">• Stabilises land prices by removing sites from speculative markets.• Ensures a long-term pipeline of land for affordable and social housing.• Allows governments to capture land-value uplift for public reinvestment.• Enables coordinated planning, infrastructure delivery and social-mix objectives.• Supports high-quality development via design and affordability competitions.	<ul style="list-style-type: none">• Requires strong governance, sustained funding and acquisition capacity.• Public agencies may be outbid in rising markets.• Risk that municipalities become exposed to overheated land markets.• Risk of politicisation or underuse of acquired land.• Compulsory purchase powers may face legal or community resistance.

Where can I learn more?

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- Lawson, J. and Anisimov, O. (2026 forthcoming).
- Hartmann, T., & Spit, T. (2015). Dilemmas of involvement in land management – Comparing an active (Dutch) and a passive (German) approach. *Land Use Policy*, 42, 729–737. <https://doi.org/10.1016/j.landusepol.2014.10.004>
- Zambon, I., Serra, P., Carlucci, M., Salvati, L., & Colantoni, A. (2019). Land consumption and urban growth in the Valencia region. *Land*, 8(10), 143. <https://doi.org/10.3390/land8100143>



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